

May 27, 2014

The Randolph County Board of Commissioners met at 6:00 p.m. for a special budget session in the 1909 Randolph County Historic Courthouse Meeting Room, 145 Worth Street, Asheboro, NC. Commissioners Holmes, Frye, Haywood and Lanier were present. Commissioner Kemp was absent. The purpose of this meeting was to hear a formal presentation of the Proposed FY 2014-2015 County Budget and budget requests from the County and City Schools, Randolph Community College and Sandhills Center Mental Health.

Will Massie, Assistant County Manager/Finance Officer, presented the Proposed FY 2014-2015 Budget, totaling \$116,916,277, which is an increase of \$3,086,402 over the 2013-2014 adopted budget. The Proposed General Fund Budget is presented with a two-cent property tax rate increase for Emergency Service modernization, added to the revenue neutral rate of 63.61 (total 65.61 cents per \$100 valuation). Mr. Massie said that this budget is full of moving parts and was developed in three stages. Stage 1 contains some adjustments. The property reappraisal resulted in lower real estate valuations in the tax base. \$10.060 billion (new tax base), which requires a new rate of 63.61 cents to be revenue neutral. Property tax growth was flat until 2013-2014. The 2013-2014 budget was set at \$10.2 billion, but the actual budget will probably end up at about \$10.4 billion, which reduced appropriated fund balance. This proposed budget restores the full transfer of Article 46 sales taxes to the RCC Community College Capital Project, which was reduced in 2013-14 to repay the County for a construction advance (CEIC project).

The 2<sup>nd</sup> stage of the proposed budget concerns reallocation. Mr. Massie said that there has been a backlog of needs delayed over the past few years: additional personnel, essential technology, vehicle replacement, equipment replacement and facility maintenance, and he added that there is no dedicated revenue source for these items. In 2014-2015, there will be about \$260,000 available due to a reduction in debt service. He explained the second stage of the budget preparation: “reallocation,” which is summarized below:

#### STAGE 2—REALLOCATION

##### Information Technology needs

Software upgrades	\$50,000
Server replacement	\$40,000
Network Upgrades	\$58,000
Other upgrades	\$14,000

##### Public Buildings needs

Telephone System replacement	\$70,000
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##### Elections needs

Tabulator replacement	<u>\$24,530</u>
	\$256,530

Mr. Massie explained his rationale for shifting some funding (\$15,029, shown below) to increase some board member fees and salaries to get them more in line with other counties. He said that the average compensation for Commissioners in other similar counties is \$16,318/year. Randolph's is only \$7,800. Planning Board members have received only \$35 per meeting since 1987. Mr. Massie included funding to increase that rate to \$50 per meeting.

Reduction in Contracted Services  
FSA Administration (\$15,029)

Reallocation to  
Board of County Commissioners  
Year 1 of 3 \$13,779

Planning Board  
\$35 to \$50 per mtg. \$1,250  
\$15,029

Personnel Changes:

- Emergency Services (12 positions)
- Social Services (6 positions)
- Administration (2 positions)
- Child Support Enf. (1 position)
  
- Public Buildings 1 PT position
- Adult DRC 1 PT position
- Veterans Office 1 Reclassification

Transfer of Positions:

Eliminated positions

- Building Inspections (Sr. Code Enf. Officer) (\$55,180)
  - Public Buildings (Admin. Asst.) (\$41,518)
  - Emergency Services (Office Asst. II) (\$18,804)
- (\$115,502)

Added Positions

- Child Support Enforcement (Agent) \$14,161
  - Administration (Grant Writer) \$63,791
  - Adult DRC (PT Case Mgr) \$14,896
  - Public Buildings (PT Sign Tech) \$14,185
- \$107,033

Upgraded Position

- Veterans Services (Administration Asst.) \$2,455

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\$109,488

New Position Added (Funded through employee contributions for health plan coverage)

- Wellness Coordinator

STAGE 3—NEW SERVICES (accomplished with a 2-cent increase above the revenue neutral rate)

Emergency Services Modernization (Year One 2014-15)

- Ambulance Bases (Uwharrie, then Liberty)

- Personnel for Uwharrie base (January 1, 2015)
- Replacement Vehicles
- Design costs for new 911 Center

#### Social Services Positions

- Child Protective Services (2)
- Income Maintenance Caseworkers (2)
- Administrative Support (2) (unfunded)
- Grants \$70,642 County \$197,945

#### SUMMARY OF 2014-2015 PROPOSED BUDGET:

Adopted 13-14 Budget	\$113,829,875
Restore Transfer to RCC Capital Project	\$1,700,000
Emergency Services Modernization	\$1,965,724
All other adjustments	<u>(\$579,322)</u>
Proposed 2014-15 Budget:	\$116,916,277

#### PROPERTY TAX LEVY SUMMARY

\$10.06 billion valuation in FY 2014-15 Budget

- Collection rate 97.75%
- Proposed tax rate \$0.6561 per \$100 valuation
- Additional 2 cents for ES modernization
- One cent on tax rate equals \$980,928

Revenue neutral rate:	\$ 0.6361
ES modernization:	<u>.0200</u>
	\$ 0.6561

#### Not Funded in Proposed Budget due to lack of funding source:

- No adjustment to employee pay plan
- Requested Sheriff's Office replacement computers, equipment and jail upgrades
- Requested increase in School current expense and capital
- Some outside agencies requests (Randolph Family Healthcare at MERCE (\$215,000 operating [forgive line of credit]), YMCA (\$50,000 capital funding for 5 years)
- Communities in Schools (requested increase of \$5,000)
- Randolph Vocational Industries (requested increase of \$5,000)
- Randolph County Senior Adults Assn. (requested increase of \$12,129)

Mr. Massie reiterated his recommendation from the Board's March board retreat to determine and dedicate a specific revenue stream to be used for capital replacement and future capital improvement projects.

Mr. Massie said that six fire departments are requesting an increase in fire tax rates: Bennett, Eastside, Randleman-Sophia, Southwest, Staley and Westside.

#### Asheboro City Schools Presentation

Dr. Diane Frost, Asheboro City Schools (ACS) Superintendent, reported that the Asheboro City Schools is striving to get to a 90% graduation rate. In 2010, the rate was 76%. In 2013, the

rate increased to 86.3%, an all-time record. Dr. Frost spoke about three priorities for their 2014-15 budget. Priority #1: Raises for teachers, which is included in the governor's proposed budget, and if approved, would result in a significant local impact. Priority #2: Stop erosion in state per pupil funding. Priority #3: Reiterate their capital outlay needs.

Asheboro City Schools has requested \$5,090,951 in current expense funding; \$4,503,949 is in the manager's proposed budget. A total of \$880,200 has been requested in capital funding; \$581,085 has been included in the manager's proposed budget, along with \$250,000 in construction capital, same as the previous year.

Dr. Frost urged the Board to approve an increase in current expense by approximately \$600,000 to absorb local costs of state teacher and staff pay increases and to increase the local salary supplement rate by 1%. She also urged the board to advocate for increased funding from the state to restore lost funding. Dr. Frost asked the board to approve the revenue neutral rate of 14.37 cents for the Asheboro City Schools Supplemental Tax District.

Dr. Frost outlined five priority capital outlay needs:

- Air condition new gym at AHS
- Replace several aging HVAC units
- Roofing projects
- Window replacements
- Purchase new yellow bus

A total of \$880,200 in current capital is requested (\$581,085 is in manager's proposed budget) along with the continuance of \$250,000 in construction capital to address these five current capital needs.

Dr. Frost thanked the Board for its support for the last 14 years that she has served as the superintendent. The Board thanked Dr. Frost for her leadership and support of Asheboro City Schools, as she retires at the end of June.

### **Randolph County Schools Presentation**

Dr. Stephen Gainey, Randolph County Schools (RCS) Superintendent, presented the Randolph County Schools budget request. A total of \$18,508,066 in current expense has been requested; \$17,160,068 has been proposed in the manager's budget. For capital funding, RCS is requesting \$2,951,696; \$2,213,939 has been included in the manager's proposed budget.

Dr. Gainey reviewed the four highest priority current expense requests: 1) Continuation costs - \$400,000; 2) Randleman Middle School 5<sup>th</sup> Grade Academy - \$185,000; 3) Technology Replacements and Upgrades - \$250,000; and 4) Supplement Increase (.5%) - \$500,000. The total additional current expense request is for \$1,335,000.

Dr. Gainey said that the nine-year facilities plan that was presented to the Commissioners in January and then again in March has not changed. He explained the plan and said that increasing their capital funding by \$736,000 a year would take care of their needs for the next nine years.

Dr. Gainey said that the Archdale-Trinity Supplemental Tax Council is requesting that the revenue neutral rate of 9.54 cents be approved.

### **Randolph Community College (RCC) Presentation**

RCC President Dr. Robert Shackleford spoke in support of RCC, saying that for every \$1 of public investment, taxpayers reap a cumulative value of \$6.80 over the course of students' working lives. He said that the college has worked hard to reduce utility expenses. However, there are some costs that cannot be controlled, such as insurance and retirement costs, which continue to rise. Since 2008, several new programs have been initiated, and 20 career and college promise pathways, as well as, 18 pre-majors have been added. All of this has been done with no increase in county funding. In fact, county funding was reduced by \$233,000 in FY 2010-11 due to the referendum on top of a 3% decrease in funding due to across the board cuts in both capital and operating expense.

Dr. Shackleford urged the board to consider their current expense request of \$2,407,235. The Manager's proposed budget includes an appropriation of \$2,328,000, same as last year.

### **Sandhills Center Presentation**

Victoria Whitt, Sandhills Center CEO, provided a program update and budget request. Ms. Whitt said that the current Board is composed of 21 members from a nine-county membership. For the 10<sup>th</sup> consecutive year, the Sandhills Center board has voted to not request any additional funding from any of the nine counties. The request from Randolph is \$844,000. Ms. Whitt reminded the Commissioners that all of this funding stays in Randolph County and goes to support two walk-in crisis centers (operated by Daymark Recovery) for indigent citizens: one located in Asheboro and one in Archdale. Ms. Whitt provided statistics on the number of citizens served in Randolph County and provided the last two quarterly reports, which includes information on some new initiatives at Sandhills Center.

Ms. Whitt said that the Governor and the secretary of DHHS have presented a mental health reform proposal to the General Assembly that proposes to continue to consolidate the nine local management entities. If the proposal is approved, Sandhills would likely be combined with the Alliance LME (Wake, Durham, Cumberland and Johnston Counties.) Of course, if this legislation is adopted, the structure of Sandhills board would change.

### **Adjournment**

There being no further business, the meeting adjourned at 7:51 p.m.

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J. Harold Holmes, Chairman

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Darrell L. Frye

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Arnold Lanier

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Stan Haywood

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Cheryl A. Ivey, Clerk to the Board